National Guaranty Purchase Center
Current Issues & Alerts

NOTICE – SBA National Guaranty Purchase Center

SBA requires lenders to provide SBA Form 1149, Lender's Transcript of Account ("TOA"), or an equivalent form, with all demands for guaranty purchase of loans. Proper completion of this form is essential for the National Guaranty Purchase Center ("NGPC") to timely process a purchase request. At this time, the NGPC is experiencing numerous problems with lenders not completing the form fully or properly; thereby requiring the NGPC to take more time processing some purchase demands than necessary. Much time is wasted for both the lender and the NGPC through requests for additional information from the lender in order to avoid incorrect interpretations of TOA transactions by the NGPC reviewers.

One section in particular that needs lender attention is the section titled "Repayment Terms as Stated in the Note." This section is often not completed by the lender and therefore SBA reviewers are required to make their own determinations as to how payments and transactions are to be applied. Problems also arise when transactions such as deferred payments, interest only payments, and the posting of other payment transactions do not comply with the repayment terms as stated in the Note, and are not accompanied with proper documentation from the lender.

For any payment term changes, the NGPC requests that lenders provide along with their purchase demands any credit memorandums or other documentation explaining the basis for the change in payment terms. This documentation should always be placed in the loan file at the time any changes to the Note payment terms are made. When compiling the purchase package, please include any Note modifications and/or credit memorandums to support all transactions listed on the TOA that are not consistent with the terms stated in the Note. Without such documentation, SBA requires that any payments received more than 90 days after an uncured payment default be applied to principal.